

Annette W. Jarvis, Utah Bar No. 1649
 RAY QUINNEY & NEBEKER P.C.
 36 South State Street, Suite 1400
 P.O. Box 45385
 Salt Lake City, Utah 84145-0385
 Telephone: (801) 532-1500
 Facsimile: (801) 532-7543
 Email: ajarvis@rqn.com

and

Lenard E. Schwartzer
 Nevada Bar No. 0399
 Jeanette E. McPherson
 Nevada Bar No. 5423
 Schwartzer & McPherson Law Firm
 2850 South Jones Boulevard, Suite 1
 Las Vegas, Nevada 89146-5308
 Telephone: (702) 228-7590
 Facsimile: (702) 892-0122
 E-Mail: bkfilings@s-mlaw.com

Attorneys for Debtors and Debtors-in-Possession

**UNITED STATES BANKRUPTCY COURT
 DISTRICT OF NEVADA**

In re: USA COMMERCIAL MORTGAGE COMPANY, Debtor.	Case Nos. BK-S-06-10725 LBR Case Nos. BK-S-06-10726 LBR Case Nos. BK-S-06-10727 LBR Case Nos. BK-S-06-10728 LBR Case Nos. BK-S-06-10729 LBR
In re: USA CAPITAL REALTY ADVISORS, LLC, Debtor.	Chapter 11
In re: USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC, Debtor.	Date: January 31, 2007 Time: 10:00 a.m.
In re: USA CAPITAL FIRST TRUST DEED FUND, LLC, Debtor.	Hearing: January 31, 2007 Hearing Time: 9:30 a.m.
In re: USA SECURITIES, LLC, Debtor.	
Affects: <input type="checkbox"/> All Debtors <input type="checkbox"/> USA Commercial Mortgage Company <input type="checkbox"/> USA Securities, LLC <input type="checkbox"/> USA Capital Realty Advisors, LLC <input type="checkbox"/> USA Capital Diversified Trust Deed Fund, LLC <input checked="" type="checkbox"/> USA First Trust Deed Fund, LLC	

DECLARATION OF SUSAN M. SMITH IN SUPPORT OF:**(1) SECOND OMNIBUS OBJECTION OF THE OFFICIAL COMMITTEE OF EQUITY SECURITY
HOLDERS OF USA CAPITAL FIRST TRUST DEED FUND, LLC TO MISFILED CLAIMS;
AND (2) OMNIBUS OBJECTION OF THE OFFICIAL COMMITTEE OF EQUITY SECURITY
HOLDERS OF USA CAPITAL FIRST TRUST DEED FUND, LLC TO CLAIMS SUPERSEDED
BY COMPROMISE CONTAINED IN DEBTORS' THIRD AMENDED JOINT
CHAPTER 11 PLAN OF REORGANIZATION (AS MODIFIED)**

I, Susan M. Smith, hereby declare and state as follows:

1. On April 13, 2006 ("Petition Date"), USA Commercial Mortgage Company, USA
2 Capital Realty Advisors, LLC, USA Capital Diversified Trust Deed Fund, LLC ("DTDF"), USA
3 Capital First Trust Deed Fund, LLC ("FTDF"), and USA Securities, LLC (collectively, the
4 "Debtors") filed petitions seeking relief under Chapter 11 of the Bankruptcy Code. By order
5 entered on June 9, 2006, the Court approved the joint administration of the Debtors' Chapter 11
6 cases.

7. Effective as of the Petition Date, Mesirow Financial Interim Management, LLC
8 ("Mesirow") has been employed as crisis managers to the Debtors, and Thomas J. Allison of
9 Mesirow has served as the Debtors' Chief Restructuring Officer. I am employed by Mesirow as a
10 Senior Vice President, and I have worked extensively for the Debtors under Mr. Allison's
11 direction since Mesirow's engagement.

12. I currently have custody of the Debtors' books and records, including all records
13 related to membership interests in FTDF and DTDF.

14. I have reviewed the following documents: (1) Second Omnibus Objection of the
15 Official Committee of Equity Security Holders of USA Capital First Trust Deed Fund, LLC to
16 Misfiled Claims (the "Misfiled Claims Objection"); and (2) Omnibus Objection of the Official
17 Committee of Equity Security Holders of USA Capital First Trust Deed Fund, LLC to Claims
18 Superseded by Compromise Contained in Debtors' Third Amended Joint Chapter 11 Plan of
19 Reorganization (as Modified) (the "Compromised Claims Objection").

20. Under my direction the names of the "Claimants" listed on Exhibit "1" to the
21 Misfiled Claims Objection have been reviewed in conjunction with FTDF's books and records. I
22 have determined that none of the Claimants listed on Exhibit "1" to the Misfiled Claims
23 Objection, except the Donnolo Family Trust (FTDF Proof of Claim No. 75), hold membership
24

1 interests in or are creditors of FTDF. The Donnolo Family Trust holds a membership interest in
2 FTDF, but the records of FTDF show that its membership interest is limited to \$248,754.

3 6. Under my direction the names of the “Claimants” listed on Exhibit “1” to the
4 Compromised Claims Objection have been reviewed in conjunction with FTDF and DTDF’s
5 books and records. Based on that comparison, I have determined that none of the Claimants listed
6 on Exhibit “1” to the Compromised Claim Objection hold membership interests in FTDF. Rather,
7 the Claimants listed on Exhibit “1” hold membership interests in DTDF.

8 7. I declare, under penalty of perjury, that the foregoing statements are true and
9 correct to the best of my knowledge and belief.

10 DATED this 25 day of January, 2007.

Susan M. Smith

SCHWARTZER & MCPHERSON LAW FIRM
2850 South Jones Boulevard, Suite 1
Las Vegas, Nevada 89146-5308
Tel: (702) 228-7550 • Fax: (702) 892-0122